



March 27, 1995

To: Area Vice Presidents
 Regional Sales Managers
 Assistant Regional Sales Managers
 Regional Business Managers
 Regional Military Managers
 Senior Chain Account Managers
 Chain Account Managers
 Special Account Managers
 Directors of National Accounts
 Forsyth National Managers
 Sales Area Directors of Operations
 Key Account Representatives

SUBJECT: New Trade Marketing Programs Meeting in Winston-Salem

Ladies and Gentlemen:

In preparation for our upcoming meeting in Winston-Salem, enclosed are copies of the following:

1. Meeting Agenda
2. General Meeting Information
3. Copy of our New Trade Marketing Vision and Operating Principles
4. Advanced Copy of New 1995 Merchandising and Co-Marketing Programs
5. Overview of our New Direct Account Program - "Partners"

Our new Trade Marketing Programs (Merchandising, Co-Marketing and Direct Account Programs) will be reviewed in detail during the week of April 3, 1995. Because of the scope and nature of the changes on these performance-based programs, it is extremely important that you familiarize yourself with this information prior to the meeting. While there will be two days of presentation and training devoted to these programs, to utilize the time most effectively, we will be emphasizing how to sell the programs more than the what and why aspects of these programs. Therefore, you will be invited to participate actively in the discussion in group breakout sessions, and you will be invited to discuss your actual examples and selling situations with the group as it relates to the Merchandising, Co-Marketing, and the new "Partners" Program.

It is expected that you read and gain an understanding of all the enclosed material. I ask that you bring two chain examples to Winston-Salem -- a pro-RJR retailer and pro-competitive retailer -- for full group discussion. Be prepared to discuss his current business, competitive situation, and selling strategy (format enclosed). The same preparation should be applied to a couple of different situations you will face in the Direct Account presentation so we can openly discuss the various selling strategies that may apply.

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The Trade Marketing Vision document will serve as our long-term guide, moving forward relative to every program we develop and the way we operate with the wholesale and retail trade. The customer presentation priority outline at the back of the "partners" deck should be reviewed and serious consideration given to where you will go first after our meetings in Winston-Salem.

It is extremely important that you leave Winston-Salem with a full understanding of the potential of these new programs, how to sell them, the importance of our retailer and distributor priorities, and how these programs will be taken out to the market in light of current competitive activity.

As I mentioned in my letter on March 15, our objective as a company is very simple: sell cigarettes and make money. All three of our customers -- the Direct Account, the retailer and the consumer -- are all critical to our success. A great deal of time has been spent the past few months in trying to clearly understand our Direct Account and retailer needs to develop better programs that will allow all parties the opportunity to be more profitable.

I look forward to your active participation in this important meeting.

Sincerely,

Jim

Jim Maguire
Senior Vice President- Sales

ccd

Enclosures

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